

# **REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR**

## **AUDIT OF THE FIRE DEPARTMENT, ADMINISTRATION DIVISION**

**INTERNAL AUDIT REPORT 070208-12**

**September 3, 2008**



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Councilman Joe Shyne  
Chairman, Shreveport City Council

Dear Councilman Shyne:

Subject: IAR 070208-12 - Audit of the Fire Department, Administration Division

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Leanis L. Graham, CPA, CIA  
City Internal Auditor

lp

**EXECUTIVE SUMMARY**  
**AUDIT OF THE**  
**FIRE DEPARTMENT, ADMINISTRATION DIVISION**  
**INTERNAL AUDIT REPORT (IAR) 070208-12**

The purpose of the executive summary is to convey in capsule form the significant issues of the audit report. The executive summary is a vehicle for reviewing the report and should only be used in conjunction with the entire report.

**INTRODUCTION**

The Administrative Division is responsible for the overall management of the public safety operations of the department and its personnel, coordination of a \$45 million dollar budget, maintaining the five-year rolling Master Plan (a comprehensive guide for future Department needs based on fulfilling the organization's mission), issuing fire reports, disseminating and releasing information to the media, correspondence, and developing policy and procedures for the effective and efficient operation of the Fire Department. The Division is comprised of the Fire Chief, Deputy Fire Chief, Assistant to the Fire Chief, Chief Safety Officer, Public Information Officer (Vacant Position), Secretary to the Fire Chief, Management Assistant, Administrative Assistant, and Office Associate.

**RECOMMENDATION EVALUATION RISK CRITERIA**

The chart below summarizes the recommendations outlined in the report and our evaluation of risk for the recommendations. We evaluated the importance of each audit recommendation by assigning each a level of risk. The risk levels, as defined in the chart below, were determined based on the possible results for the entity if the recommendations are not implemented.

| <b><i>Risk Levels</i></b>  | <b><i>Recommendations</i></b>   |
|--|---|
| <b>High Risk</b><br>Possibility of fraud, waste, and abuse of City assets; Interrupted and/or disrupted operations; Entity's mission not being met; Adverse publicity. | No recommendations are applicable.  |
| <b>Medium Risk</b><br>Possibility of continuing, significant operating inefficiencies and high-level non-compliance issues.  | <ul style="list-style-type: none"><li>▪ Consider hiring a Human Resource Manager when budget allows. (Finding 1)</li><li>▪ Include audit clause provisions in professional service agreement. (Finding 2)</li></ul> |
| <b>Low Risk</b><br>Possibility of continuing operating inefficiencies and some low-level non-compliance issues.  | No recommendations are applicable.  |

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## **FINDINGS**

|  | <b><u>Risk<br/>Factor</u></b> |   |
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# **AUDIT OF THE FIRE DEPARTMENT, ADMINISTRATION DIVISION INTERNAL AUDIT REPORT (IAR) 070208-12**

## **OBJECTIVES**

We have completed an audit of the Fire Department, Administration Division. The objective of this audit was to determine the economy and efficiency of operations of the division.

## **SCOPE AND METHODOLOGY**

Our audit was performed in accordance with applicable generally accepted governmental auditing standards defined in Section A.20 of the Internal Audit Office Operating Instructions Manual. The scope of the study of internal control was limited to the general controls surrounding the specific issues addressed. General audit procedures included, but were not limited to, the following:

- Reviewing applicable records and documents.
- Interviewing appropriate operating personnel and management.
- Observing operations.
- Testing compliance with established or stated policies and procedures.

## **BACKGROUND**

The Administrative Division is responsible for the overall management of the public safety operations of the department and its personnel, coordination of a \$45 million dollar budget, maintaining the five-year rolling Master Plan (a comprehensive guide for future Department needs based on fulfilling the organization's mission), issuing fire reports, disseminating and releasing information to the media, correspondence, and developing policy and procedures for the effective and efficient operation of the Fire Department. The Division is comprised of the Fire Chief, Deputy Fire Chief, Assistant to the Fire Chief, Chief Safety Officer, Public Information Officer (Vacant Position), Secretary to the Fire Chief, Management Assistant, Administrative Assistant, and Office Associate.

Although the Fire Department, Administration Division has outlined numerous accomplishments, its greatest would be maintaining a Class One fire rating (the highest possible).

Another recognizable accomplishment is the Fire Department has just recently received a grant for approximately \$425,000 from the Federal Emergency Management Agency (FEMA); which is one of the largest grants in the department's history. The grant will be used to purchase integrated exhaust removal systems to be installed in city fire stations. The physical characteristics of the devices allow a negative pressure hose to attach to fire vehicles exhaust

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discharges to capture 100% of toxic engine vapors and filter them to the outside of the fire station.

Also, the Department received a Fire Act grant for approximately \$400,000 in 2007 that provided funding for portable radios for each fire fighter, air pack face piece radios for all Fire Captains, wellness and fitness training, and additional equipment for evaluating the Fire Department members.

**CONCLUSIONS/FINDINGS/RECOMMENDATIONS**

The Internal Audit Office would like to offer its appreciation for the courtesy, patience, and cooperation extended to us during the audit by the staff of the Administration Division.

Overall, we found that management is operating the division efficiently and effectively. Based on the results of the audit, we also believe that an adequate system of internal controls is in existence over the areas examined. However, we have made two recommendations that may serve to enhance and/or improve the organization's operating ability:

- Consider hiring a Human Resource Manager when budget allows.
- Include provisions of Sec. 26-217, "Specifications and requirements on city contracts to include audit clauses," in professional service agreement.

**1. Centralized Human Resources**

**Criteria:** The Fire Department provides human resource services to 600 fire personnel. To provide human resource services in an efficient manner, maintain and process accurate records and information pertaining to personnel related tasks, human resources should be a centralized function.

**Condition:** The Human Resource function is not centralized. Currently the tasks related to personnel issues are divided among several individuals in the Administration Division and the Training Division.

**<Auditor's Note>** *The Fire Department's Strategic Master Plan addresses this issue. Also it is an unfunded need in the 2008 Budget.*

**Effect:** A centralized human resource function would help to ensure efficient and accurate processing of human resource information.

**Cause:** Budgetary constraints.

**Recommendation:** We recommend management consider hiring a Human Resource Manager when the budget allows. This individual will be responsible for the administration of the recruiting and hiring of employees, ensuring compliance with all civil service and personnel laws and procedures, employee assistance programs administration, and records management.

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**Management Plan of Action:** As you discovered in your audit, centralizing human resources would be a more efficient method of processing personnel related tasks. This has been noted in our Strategic Action Plan for several years and is an unfunded need in the 2008 budget. We have made some progress by entering all training records into the SunPro database, which can be accessed by authorized personnel in Administration without having to physically visit training files. Our staff will continue in their joint areas of responsibility toward human relations functions until such time as the budget will allow funding of an HR dedicated position.

## **2. Audit Clause in Professional Service Agreement**

**Criteria:** Per the City's Code of Ordinance Sec. 26-217, "Specifications and requirements on city contracts to include audit clauses," every written contract to which the city is a party should include a requirement that the contractor maintain financial records, permit the audit by the city or its designated representative of all its records relative to the contract, and make records accessible to the city's designated representative.

**Condition:** The professional service agreement between the City's Fire Department and Louisiana Critical Incident Stress Management, Inc. (Also known as Personal Solutions, Inc.) does not include the provisions required by Code of Ordinance Sec 26-217.

**Effect:** Noncompliance with Code of Ordinance Sec. 26-217.

**Cause:** Management oversight.

**Recommendation:** We recommend management ensure that the provisions of Sec. 26-217 are included in the agreement.

**Management Plan of Action:** Thank you for brining this oversight to our attention. We have forwarded a copy of the contract and pertinent code section to Edward Jones in the City Attorney's Office asking that his office either prepare a revised contract or an addendum to include the required audit clauses. Management will provide your office with a copy when completed.

Prepared by:

Tamika Ford  
Staff Auditor

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Approved by:

Leanis L. Graham, CPA, CIA  
City Internal Auditor

TF:lp

c: Mayor  
CAO  
City Council  
Clerk of Council  
City Attorney  
External Auditor  
Fire Chief